

**INDIANA ARTS COMMISSION  
EXECUTIVE COMMITTEE**

September 7, 2016  
IAC Offices, 100 N. Senate Ave., Rm N505  
Indianapolis, IN 46204

Nancy Stewart, Chair

Members present: Nancy Stewart

Members via teleconference: Kathy Anderson, Al Rent

Members absent: Linda Levell, Sherry Stark

Arts Commission Staff present: Miah Michaelsen, Stephanie Pfendler, Lewis Ricci

1. **Welcome and Introductions.** Arts Commission Chair Nancy Stewart called the meeting to order at 10:01 a.m. and asked everyone to introduce themselves.
3. **Approval of Agenda and June 8, 2016 Meeting Minutes.** Ms. Stewart presented the meeting agenda and June 8, 2016 meeting minutes. Since there was not a quorum present, the committee will reconvene prior to the full Commission meeting in September for approvals.
4. **Financials**
  - a. **FY2016 YTD**
    - i. **Year end.** Arts Commission Deputy Director, Miah Michaelsen, presented the FY2016 year end financial statement (attached), noting results and issues. Contrary to agency numbers, which show a slight surplus, the State Budget Agency (SBA) dipped into our reserve to pay end of year expenses. Because numbers between the two agencies are inconsistent, the SBA has been asked to submit end of year accounting records to clarify these discrepancies. The SBA also autonomously closed approximately \$68,000 of final grant payment purchase orders prior to payments. Budgeted to be paid out of FY2016 funds, they will now be paid out of FY2017 funds. Arts Commission Executive Director, Lewis Ricci, noted that the agency prepaid NASAA and ArtsMidwest FY17 dues in FY16 and part of the contract for the new Foundant online system, which nearly equates to the amount of the closed P.O.s. If these final grant payments cause a deficit in the FY2017 year end balance, SBA will use reserve funds for the difference. Mr. Ricci postulated that in comparison with other agencies who have an in agency financial officer with clearances to make budgetary decisions on that agency's behalf and best interest, the IAC's financial officer is the SBA. Being that there is no agency counterpoint, it brings our different agendas into conflict. Instead of having a control point on either side of the divide, both control points are in the SBA which poses fundamental concerns for the IAC, especially when unilateral decisions are made on the IAC's behalf without consultation or invitation for input. Ms. Michaelsen noted that there was no response to the agency's request for meeting and a follow up request will be submitted following this Committee.

**b. FY2017.**

- i. August financials.** Ms. Michaelsen presented the comparative budget financial statement for August FY2017 (attached) and noted variances. Personnel continues to be under budget due to two vacant staff positions. The consultancy line item is also under since the agency has not entered into those assumed contracts as of this date. Materials and supplies have exceeded budget due to FY16 expenses now being encumbered in FY17. Grant contracts that were budgeted for September have hit earlier in the fiscal year than expected and will balance out at that originally projected time. Mr. Ricci added that because the State is 100 million dollars behind in projected revenue they have denied the agency's 1% reserve request.

**4. Upcoming Legislative Session.**

- a. Possible Agency Advancement and Financial Impact.** Mr. Ricci presented a document (attached) delineating requested budgetary increases to the general fund. \$400K is proposed to enhance community partnerships for arts organizations and providers befitting the new lay of the land and growth of AOS organizations. \$100K is requested to support and retain emerging artists in response to data from the economic impact study which shows cottage industry growth. \$100K is proposed to expand the PACE program into all 12 regions. Senator Ford will be submitting these requested increases to the legislature.
- b. FY18/19 Governor's Budget.** An official request for budget will be submitted to the Governor's office based on the IAC's FY16 appropriation which included the reserve amount released to the Commission for programs launched in the Bicentennial year. Included in the FY18 appropriation is the aforementioned \$100,000 increase for the PACE program expansion as it appropriately aligns with Pence administration policy initiatives. Mr. Ricci noted that the Governor who approves this budget will not be the Governor in office for FY18.
- c. Ad-hoc Advocacy Committee.** A group largely made up of current and former Commissioners, as well as, people in the field affected by our budget and legislation is being assembled to communicate with legislators to advocate for issues relative to the arts during session. Mr. Ricci further stipulated the difference between lobbying and advocating and the rights of Commissioners as private citizens and what cannot be done as a Commissioner. Ms. Stewart reminded the Committee that since the arts advocates group dissolution, a grant awards ceremony was discussed as a substitute for arts advocacy day.
- d. Gubernatorial Forum.** A Lt. Gubernatorial forum on the quality of life and the arts in Indiana will be hosted by WTIU Bloomington. Tentatively set for a date in October it will be broadcast in Bloomington and offered to other public broadcasting stations after the fact. Mr. Ricci noted that outside of this forum, he and Ms. Stewart will be meeting with each campaign to provide an overview of the agency structure. Commissioner Al Rent was impressed with the proactive effort to connect with the gubernatorial candidates: as potential Governor's it is important to instill in them the type of impact the IAC can have on quality of place and livability prior to elections. Mr. Ricci added that the WTIU forum gives a reference point for the arts community to point back to, once a candidate is elected.

- 5. Staffing and Contractor Update.** The Community Development Manager & Arts Education and Accessibility Coordinator position has been unfrozen and applications are being accepted and vetted.
- 6. Commission Appointments and Reappointments Update.** Mr. Ricci noted that the Office of the Governor has officially reappointed Commissioner Susan Hardwick. Jeffrey Kirk submitted

his resignation due to professional and familial priorities. Gil Cárdenas' second term ended in June, but continues to serve until replaced. Former Commissioner Dick Stifel has submitted nominations from region 2. The regional arts partner in region 4 has also submitted nominations. The Office of the Governor has received and is assessing the nominations approved at the June Commission meeting.

## **7. Planning**

- a. Strategic Plan Framework.** Ms. Michaelson presented the framework that has emerged from the strategic planning process (attached). This proposed theory of change, centered on the *big idea*, articulates the resultant impacts for “society, community, and our everyday lives” when the arts are centrally positioned. This framework will be brought to the Commission meeting in September for feedback and then presented at the final meeting of the Steering Committee in October where the actual activities and processes that will achieve these proposed impacts will be defined. David O’ Fallon will be further consulted to establish measurements to track these outcomes and Mr. Ricci noted that including a couple of Commissioners in this process for connection back to the governing body is key. Per Ms. Stewart’s suggestion the mission, vision and value statements will be included in the final document. Work plan details will be finalized in a subdocument and presented to the Commission in December. Ms. Stewart suggested that when the plan is finalized, the Commission approve the direction as outlined in the framework only, not the actual work plans. This will allow for changes to work plans in accordance with the Commission approved plan direction without need of Commissioner ratification.
  - b. Lay of the Land Report.** Ms. Michaelson presented a working draft document (attached) which outlines the resultant grant guideline changes from the lay of the land study group. Mr. Ricci noted that as with the Strategic Plan, community impact is at the heart of these recommendations and outcomes have been appropriately integrated into those guidelines to reflect that impact. He added that while these guidelines should follow the release of the Strategic Plan, to provide enough lead time for grantees to understand the new direction and criteria, it should be done now. The Committee is being asked to preapprove the concept and direction of the guidelines so they can be rewritten for the upcoming grant cycle. Mr. Ricci felt that the IAC is providing leadership in the State in its understanding of public money and public benefit by adding another layer of community benefit as well. Ms. Michaelson went on to point out 2 recent changes to the document. On page 2, item b, language has been rephrased from “arts as a core purpose” to “arts as core purpose”. She explained that in granting we walk a fine line between opening and closing the flood gates and cautioned against throwing eligibility out of balance. The 2<sup>nd</sup> change, on Page 5, is language that defines multiregional for AOSIII organizations in a way that is measurable and achievable by grantees. Ms. Stewart asked for any questions or concerns. Hearing none, the committee will reconvene prior to the September Commission meeting for official approval.
- 8. Cultural District Program.** Six communities have submitted letters of intent. The deadline for applications is October 4<sup>th</sup>.
  - 9. Statewide Creative Economy Study.** Breanca Merritt with the Indiana University Public Policy Institute is benchmarking the study against national data and collating the information into presentation format. Ms. Merritt will present that information to the Commission at the September meeting.

- 10. Old Business.** Commissioner Kathy Anderson in preparation for the next fiscal year, suggested assembling a nominating committee for Commission officers and broaching that subject at the December meeting.
- 11. New Business.** Due to scheduling conflicts, Ms. Anderson requested moving the day of the Executive Committee meeting from Wednesday to Tuesday. Mr. Ricci saw no conflict considering how the Committee on the Future and Programs Grants and Services Committee are timed in relation. It was suggested that a request be sent to members to determine feasibility.
- 12. Adjourn.** Ms. Stewart adjourned the meeting at 10:57 a.m.